

## ND RETIREMENT AND INVESTMENT OFFICE

10/1/2008

# Balance Sheet

## As of 8/31/2008

	As of 8-31-08	As of 6-30-08
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,601,357,171	\$ 1,603,374,536
INTERNATIONAL EQUITIES	700,687,716	751,763,915
DOMESTIC FIXED INCOME	2,097,036,833	2,116,937,618
INTERNATIONAL FIXED INCOME	189,280,508	193,480,800
REAL ESTATE	417,667,229	433,101,768
ALTERNATIVE INVESTMENTS	195,146,809	203,274,502
INVESTED CASH (NOTE 1)	89,937,120	82,143,865
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TOTAL INVESTMENTS	5,291,113,386	5,384,077,004
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	21,659,729	22,250,668
CONTRIBUTIONS RECEIVABLE	27,480	8,065,995
MISCELLANEOUS RECEIVABLE	4,763	10,464
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TOTAL RECEIVABLES	21,691,972	30,327,127
<b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	193,890,419	193,890,417
OPERATING CASH	10,190,339	11,236,491
FIXED ASSETS (NET OF ACCUM DEPR)	555,989	555,989
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TOTAL ASSETS	<u>\$ 5,517,442,105</u>	<u>\$ 5,620,087,028</u>
<b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	193,890,419	193,890,417
ACCOUNTS PAYABLE	41,399	87,142
ACCRUED EXPENSES	465,235	550,970
CAPITAL LEASE PAYABLE	0	0
INVESTMENT EXPENSES PAYABLE	6,777,370	6,781,460
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TOTAL LIABILITIES	201,174,423	201,309,989
<b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	5,418,777,039	5,653,845,145
CASH IN DURING YEAR (NOTE 3)	59,131,000	457,757,640
CASH OUT DURING YEAR (NOTE 4)	70,345,688	402,350,350
NET INCREASE (DECREASE)	(91,294,669)	(290,475,396)
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NET ASSETS AVAILABLE END OF PERIOD	<u>5,316,267,682</u>	<u>5,418,777,039</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 5,517,442,105</u>	<u>\$ 5,620,087,028</u>

# ND RETIREMENT AND INVESTMENT OFFICE

10/1/2008

## Profit and Loss Statement For the Month Ended 8/31/2008

	Month Ended <u>8-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 11,978,273	\$ 23,165,021
SECURITIES LENDING INCOME	419,745	839,663
	<u>12,398,018</u>	<u>24,004,684</u>
GAIN ON SALE OF INVESTMENTS	41,804,603	88,870,270
LOSS ON SALE OF INVESTMENTS	<u>37,198,804</u>	<u>80,365,364</u>
NET GAINS (LOSSES) INVESTMENTS	4,605,799	8,504,906
INVESTMENT EXPENSES	2,142,908	5,691,656
SECURITIES LENDING EXPENSES	<u>338,254</u>	<u>657,940</u>
NET INVESTMENT INCOME	14,522,655	26,159,994
NET APPREC (DEPREC) MARKET VALUE	(29,329,623)	(99,490,851)
MISCELLANEOUS INCOME/(EXPENSE)	<u>629,166</u>	<u>618,668</u>
TOTAL INVESTMENT INCOME	(14,177,802)	(72,712,189)
CONTRIBUTIONS & ASSESSMENTS (NOTE 5)	649,180	853,498
PURCHASED SERVICE CREDIT (NOTE 6)	291,819	781,132
PENALTY & INTEREST (NOTE 7)	<u>18</u>	<u>1,030</u>
TOTAL ADDITIONS	<u>(13,236,785)</u>	<u>(71,076,529)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 8)	9,541,180	19,014,046
PARTIAL LUMP SUM BENEFITS PAID	25,186	541,508
REFUNDS TO MEMBER (NOTE 9)	<u>336,041</u>	<u>421,925</u>
TOTAL BENEFITS PAID	9,902,407	19,977,479
ADMINISTRATIVE EXPENSES	125,242	240,661
TOTAL DEDUCTIONS	<u>10,027,649</u>	<u>20,218,140</u>
NET INCREASE (DECREASE)	<u>\$ (23,264,434)</u>	<u>\$ (91,294,669)</u>

# **ND RETIREMENT AND INVESTMENT OFFICE**

10/1/2008

## **Notes To Financial Statements**

**August 31, 2008**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

**NOTE 1**                      **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

**NOTE 2**                      **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

**NOTE 3**                      **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

**NOTE 4**                      **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

**NOTE 5**                      **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

**NOTE 6**                      **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

**NOTE 7**                      **PENALTY & INTEREST**

Amounts charged to school districts for late payment or reporting of contributions.

**NOTE 8**                      **BENEFITS PAID TO PARTICIPANTS**

Monthly annuity benefits paid to retired teachers on the first of each month.

**NOTE 9**                      **REFUND TO MEMBERS**

Refunds of teachers' accounts who have ceased teaching in North Dakota.